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February 25, 2025

Via email (plong@rsiweb.org)

Patty Long, President
Railway Supply Institute
2001 K Street NW
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Washington, DC 20006

Re: EAC Review of Car Hire Rule 25

Dear Patty:

I am responding to your February 24, 2025 letter to Ian Jefferies, regarding the recent meeting of AAR's Equipment Assets Committee ("EAC") and the committee's review of Car Hire Rule 25 (the "Arbitration Rule").

AAR's car hire system—which many RSI members choose to participate in and benefit from—is both voluntary and privately run. The system has been in place for decades, and its rules and procedures have been developed over that time with input from all stakeholders. In particular, the EAC—which is comprised of a variety of stakeholders, including members of RSI—has long been the body tasked with the administration of the Code of Car Hire. The EAC is always open to receiving proposals to improve upon those rules, and RSI has previously availed itself of the EAC process.

Prompted in part by RSI's public complaints about the Arbitration Rule, the EAC has now opened a proceeding to review that rule, even though RSI chose not to invoke the AAR process, but rather to seek STB intervention instead. Specifically, RSI has filed a petition with the STB seeking STB involvement, and AAR (and others) have responded to that petition. That matter now rests with the STB, and to the extent RSI wishes to continue to advocate to STB members with respect to that matter, the STB docket is the forum to do so. The AAR process, on the other hand, is a private process. RSI has been invited to participate if it chooses, but STB supervision of, or intervention in, that process is inappropriate.

Because you have now, more than once, tried to involve Board members in the AAR process by copying them on letters regarding the EAC's review of the Arbitration Rule—and because you have now seen fit also to try to involve the six Class I CEOs through the same approach—I must address several misstatements in your letter:

1. The February 12 meeting of the EAC was a preliminary discussion regarding the **process** for the committee's review of the Arbitration Rule. That process, stated

simply, has been to invite interested parties to make presentations regarding any concerns with respect to the current framework of the Arbitration Rule at the EAC's next meeting, after which a technical advisory committee ("TAG") comprised of self-selected EAC members will be formed to examine the subject(s) of the presentations, seek out additional information as deemed necessary by the TAG, and then make a recommendation to the EAC as a whole. "[T]here was no agreement on which parts of Rule 25 will be examined" because that **substance** was simply not part of the EAC's **process** discussion.

2. RSI's statement that the proposed "schedule laid out for consideration . . . was unacceptably long" is directly at odds with statements by RSI's own members at the February 12 meeting. Indeed, when a deadline for the TAG's recommendation was proposed, a GATX representative raised concerns that the suggested timeline would not be **enough** time. Certainly, it is our intention to give any materials provided to the EAC a thorough review. It is more important to get things right than it is to meet an arbitrary deadline.
3. As you well know from the record in RSI's STB petition, AAR and RSI disagree on the appropriateness of the RSI's data requests to the STB. If the STB grants RSI's petition, the question of what information would be relevant and appropriate **in that proceeding** can be debated. But as far as the AAR process is concerned, and as we have previously advised you, the EAC will determine its own process and what information it deems relevant.

I hope that RSI will participate in the EAC's next meeting in good faith and present its views on the Arbitration Rule's present framework. I can assure you that AAR and its committees take their responsibilities seriously, and the EAC will be appropriately receptive to legitimate concerns that RSI puts before it.

Sincerely,



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